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Democrats Deliver for Women in 1997

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Democrats Deliver for Women in 1997

During the past two Congresses, Democrats have fought hard for all American families. Democrats have successfully resisted the worst of the Republican agenda, worked on a bipartisan basis in other areas, and managed to force action on priorities that Republicans initially opposed, including a higher minimum wage, health insurance portability, education tax cuts, and health care coverage for uninsured children. The results have been impressive and helped millions of American women and their families.

But Democrats are far from finished. More work remains: too many families lack employment and educational opportunities; too many Americans are uncertain about their ability to afford to retire; too many Americans have inadequate health insurance or health care; too many Americans live on unsafe streets or communities; too many women and children remain vulnerable to violent crime. Democrats will continue to push for action to help hard-working families in these areas, while resisting the inevitable Republican attempts to ignore these priorities in order to tend to the needs and wishes of special interests and wealthier Americans.

104th Congress

Democratic successes are successes for women. During the 104th Congress, Democrats succeeded in passing important legislation despite Republican attempts to block these efforts. This legislation included an increase in the minimum wage and enactment of the ***Kennedy-Kassebaum bill***, which helps workers take health insurance with them from job to job. Democrats enacted the *Family and Medical Leave Act*, enabling women to care for a sick child or elderly parent without fear of losing their jobs. Democrats also blocked Republican efforts to attack education programs, weaken environmental protections, and dilute President Clinton's anti-crime initiatives particularly through attempts to cut funding for the *Violence Against Women Act*.

105th Congress

In the 105th Congress, Senate Democratic Leadership set out to continue its record of accomplishments by introducing several moderate, common-sense

initiatives that would make a difference in the daily lives of America's working families, without increasing the size of government. These included legislation to offset rising college costs, improve access to health care for children, provide tax relief, protect retirement security, increase paycheck fairness, and improve child care.

In 1997, Democrats succeeded at incorporating parts of these wide-reaching legislative initiatives in a budget that eliminates the deficit—a job Democrats started in 1993 with passage of an economic and deficit-reduction plan, without the support of a single Republican. Democrats worked hard to produce a balanced budget plan that includes a comprehensive tax package that reflects the priorities of the American people:

- **tax fairness**—a \$500 per-child tax credit for 27 million middle-class, working families with approximately 45 million children;
- **children's health**—an unprecedented \$24 billion dollar investment in children's health providing meaningful health coverage for up to five million previously uninsured children;
- **preserving Medicare and Medicaid**—extended solvency of the Medicare trust fund; with \$1.5 billion to help pay the premiums of low income Medicare beneficiaries, 57 percent who are women; \$4 billion in preventive benefits, including coverage for mammography and diabetes screening;
- **education investment**—the largest spending increase for education in more than 30 years—\$35 billion in tax relief to help pay for college and training and \$1,500 HOPE Scholarships for the first two years of college; and,
- **pension security**—improved women's retirement security through important pension reforms, including breaking the “spousal link” for Individual Retirement Accounts (IRAs).

The new budget reflects these priorities because Democrats succeeded in blocking the 1995 Republican budget, ultimately winning passage of a balanced budget plan that better fits the priorities and needs of America's hard-working families. Through these and other successes in 1997, Democrats improved the lives of millions of America's women.

Education as a Priority

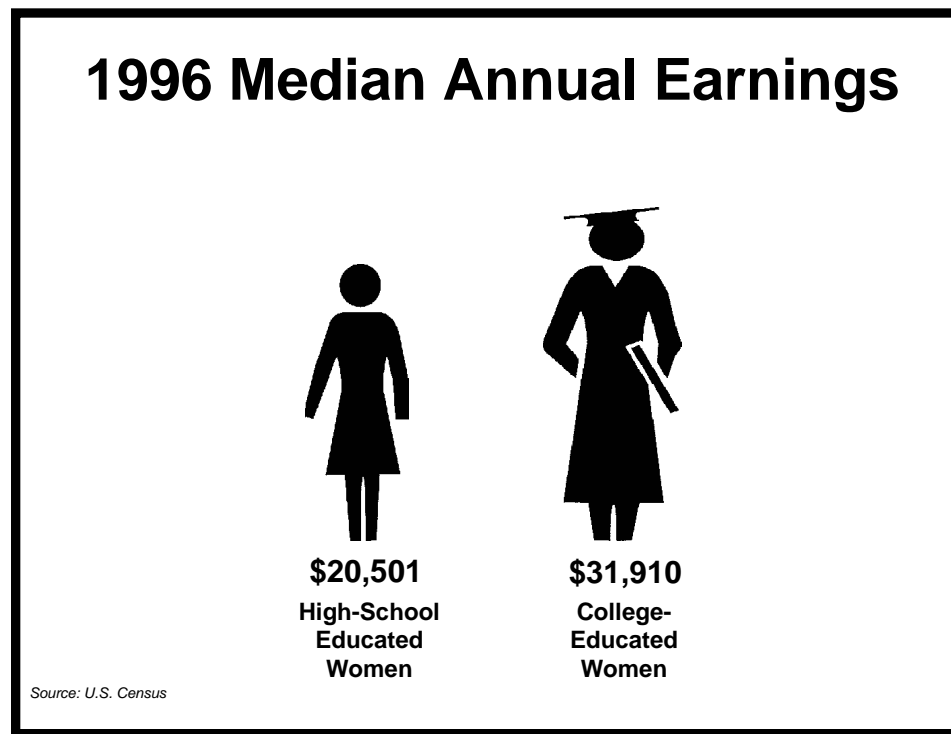
Democrats Deliver on Education for Women and Their Families

Women view education as a priority. Women understand how important educational opportunities are as a vehicle for improving their lives and the lives of their children. Higher education has become increasingly expensive, and women today worry about affording a quality education. These priorities are shared by Democrats, who for two years blocked the efforts of Republicans to cut student loans and education programs, and even to eliminate the Department of Education.

Democrats won an important victory for America's students and their families in the bipartisan budget agreement. That agreement included a series of important Democratic tax initiatives to help families and students pay for college, and set discretionary spending at levels high enough to finance important education priority programs.

Overall, the budget agreement allows for the largest increase in education funding in 30 years. Funding for education and training would be increased by \$27 billion, or 13 percent over a budget freeze. The plan provides \$63 billion, or 36 percent more funding than the levels proposed in the Republican budget plan in 1997. Democrats will continue to fight to live up to that commitment to education programs through the remaining years of the agreement.

Higher education increases women's earnings and economic buying power. Democrats understand how important higher education is to future success. The median annual earnings among women with high school diplomas in 1996 was \$20,501. Those with a bachelor's degree earned over \$11,409 more per year at \$31,910. These startling figures indicate that access to higher education is a key factor to economic security and success for all women.



Unfortunately, as the cost of postsecondary education continues to increase, the task of saving enough money to meet college expenses becomes a greater and greater burden for working Americans. President Clinton and Congressional Democrats proposed a package of education tax cuts designed to help families finance a college education. Senate Democrats introduced this initiative as **S. 12**, the *Education for the 21st Century Act*.

Democrats helped achieve tax relief toward lower education costs. On July 31, the Senate passed **H.R. 2014**, the *Revenue Reconciliation Act of*

1997, and President Clinton signed the bill into law on August 5, 1997. This legislation included higher education tax proposals similar to the higher education tax cuts proposed by Senate Democrats in **S. 12** and by President Clinton in his budget. These tax cuts include:

- a HOPE tax credit for the first two years of college, equal to 100 percent of the first \$1,000 in tuition and fees and 50 percent of the next \$1,000;
- a tuition tax credit of 20 percent of the first \$5,000 in tuition and fees for college juniors and seniors, graduate and part-time students; and,
- a \$2,500 student loan interest deduction.

A number of other tax incentives will help families with college education:

- penalty-free withdrawals from Individual Retirement Accounts (IRAs) for education expenses;
- a new education IRA;
- expanded tax-free treatment for State tuition plans;
- a three-year extension of tax-free treatment for employer-paid educational expenses, often used for higher education and continuing education coursework;
- tax-free treatment of student loan forgiveness for community service; and,
- tax-exempt bond provisions to encourage construction of higher educational facilities.

H.R. 2014 will help millions of American families pay for college and provide relief to those paying college loans. Almost six million students will receive the HOPE credit, and more than seven million will receive the tuition tax credit. Democrats made education tax cuts one of their highest priorities in the budget negotiations, and it has paid off for American families.

Democrats helped enroll more children in Head Start. The budget agreement called for adequate funding to fulfill the President's goal of enrolling one million children in the Head Start program by 2002. Head Start funding had increased by 43 percent over four years and the program now serves 800,000 children. The FY 1998 appropriation increases Head Start by \$375 million (9.4 percent). The bill earmarks \$279 million for the Early Head Start program that helps children in the critical time between zero and three years of age. This Democratic push was based on recent scientific research which emphasized the importance of providing developmentally appropriate activities to give young children the best possible start.

Elementary and secondary education received a boost. Democrats worked hard to increase funding for elementary and secondary education. As a result of their efforts, funding for a number of important programs was increased. Overall, the budget contains the largest increase ever for education funding.

Democrats supported greater access to cutting edge technology for students. The budget that Democrats fought for included funding for the Technology Literacy Challenge Fund, which more than doubled, from \$200 million in FY 1997 to \$425 million for FY 1998. This money will give States the ability to implement strategies to integrate technology into their classrooms.

Democrats will continue to fight to improve educational opportunity. Democrats are working to enhance the current educational system to provide the best education to our children. Democrats will continue to fight against Republican efforts to take resources away from public schools and will work to rebuild deteriorating schools, combat crime in and around the schoolyard, and give schools the tools to improve their curriculum. These Democratic initiatives will improve opportunities for a college education for future generations of Americans.

Health Care for Women as a Priority

Democrats understand the importance of quality health care for American women and families. As the cost of quality health care rises, many women wonder if they will be able to afford the next visit to the doctor for their families or themselves. Without the assurance that a doctor's visit will not cost most of the next paycheck, some may be reluctant to get the preventive care they need to avoid critical health problems in the future or may skip medical appointments altogether. Democrats understand these challenges that women face and always have supported sound health care reforms to improve access to health care for all.

Women are under great strain to obtain health care. Traditionally, women have been the primary caregivers for their children and aging parents. Many feel a great deal of anxiety about the affordability and availability of health care services. Women head the majority (9.3 million) of single-parent homes. Women also worry about health care access for themselves; one in every four women lacked health insurance for one or more months from 1991-1993 (U.S. Bureau of the Census).

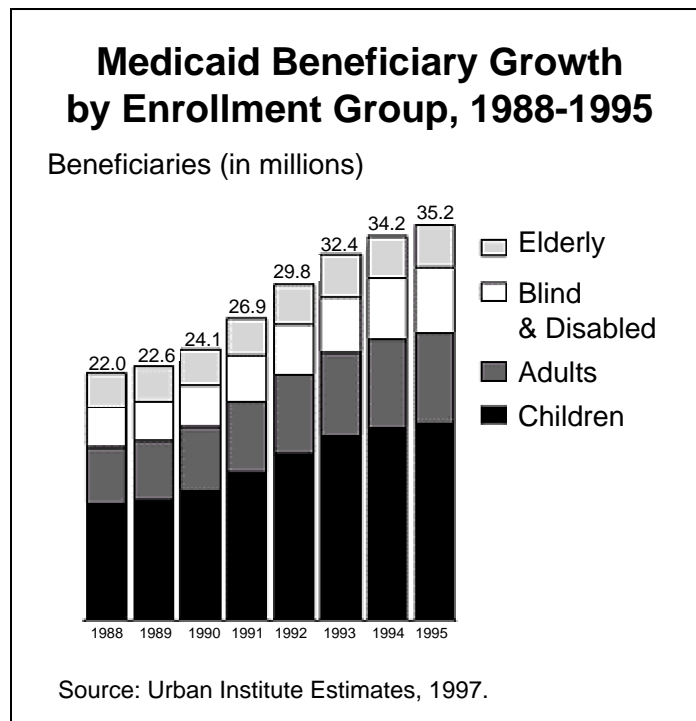
Medicare improvements help women. Nearly 22 million older or disabled women rely on Medicare's health benefits—more than half of the total 39 million Americans enrolled in Medicare. Democrats are constantly working toward improvements in the Medicare system to help this country's growing aging population.

Democrats protect Medicare. Democrats worked tirelessly to defend Medicare and other health care programs from GOP attacks in the 104th Congress, efforts which paid off this year in a budget that improves the health of all elderly or disabled Americans. Rather than risking the health of millions by allowing misguided Republican budget cuts, Democrats achieved savings of \$115 billion from Medicare through structural reforms that reduce Medicare's costs, without severely burdening beneficiaries. The agreement:

- includes the President's plan to keep the Medicare trust fund secure for another decade, including shifting home health care services from Part A to Part B;
- expands seniors' choices of private health plans by opening competition to preferred provider organizations and provider-sponsored plans;
- provides new and improved preventive benefit coverage, including annual mammography screening, colorectal cancer screening, diabetes self-management, and immunizations;
- establishes prospective payment systems for home health care providers, skilled nursing facilities, and outpatient departments;
- reduces beneficiary co-payments for outpatient services;
- maintains the Part B premium at 25 percent of program costs and phases in increases from adding home health care benefits to Part B; and,
- protects low-income seniors from potential home-health related premium increases.

Medicaid delivers health care to women and children who need it most.

Medicaid provides health care to 36.3 million individuals including low-income children, pregnant women, seniors and people with disabilities. The majority of Medicaid recipients are women; more than 21 million women—or 16 percent of all American women—were recipients of Medicaid in 1995. Also in 1995, Medicaid provided health care to 18.7 million children (under-21 recipient population, Health Care Financing Administration). The growth in the number of young children receiving Medicaid was a major contributor to the dramatic rise in Medicaid enrollment in the early 1990s.



Democrats protect Medicaid coverage. Medicaid provisions in the budget agreement represented a resounding victory for Democrats and a dramatic departure from a Republican budget two years ago which cut Medicaid by \$163 billion. The GOP budget also gave States incentives to cut even more, potentially leading to an overall Medicaid cut of more than \$400 billion. In 1997, Democrats opposed a Republican block grant proposal and fought to maintain the guarantee of coverage for the most vulnerable Americans.

Democrats deliver for children's health. Democrats made expanding health insurance coverage for uninsured American children a major priority in this Congress. Recent Census Bureau numbers have revealed that both the number and percentage of uninsured children are at the highest levels ever reported. Also, the number of children without health care coverage rose by 797,000, increasing from 10.5 million in 1995 to 11.3 million in 1996.

Democrats fought to include in the budget agreement a new \$24 billion initiative to bring health insurance coverage to five million additional children. Part of this effort includes outreach to bring Medicaid coverage to three million children eligible for, but not participating, in the program. Under the new law, States receive matching funds, which must be used to expand children's health coverage. However, States retain flexibility to choose how they will expend their funds. States' options include:

- enrolling uninsured children in Medicaid;
- obtaining health insurance for children from private health plans;
- paying for services directly to children from providers; or,
- some combination of the above.

Democrats' emphasis on health care has paid off for American women and their families. Instead of following the GOP approach of using health care as a "cash cow" to pay for tax breaks for the rich, the new agreement makes health care for America's seniors, disadvantaged, and children the high priority it deserves to be. That's an important victory for women, who are this Nation's primary caregivers.

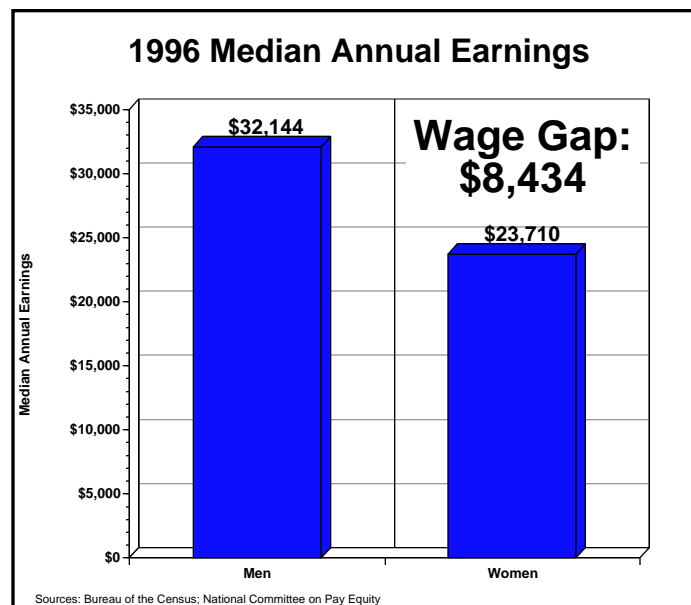
Economic Security for Women as a Priority

Economic security for women and their families is one of the highest priorities for Democrats. Serious challenges continue to confront women in the workplace. In addition to being paid unfairly for the work they do, compared to men's earnings, women are often forced to face retirement without economic security. Democrats worked in 1997 to help close both the pay gap and the pension gap as two important legislative priorities.

Paycheck Equity

Democrats work towards paycheck fairness. Democrats find improvements in paycheck equity vital for the millions of working women. The gap in women's earnings deeply hurts American families who rely on women's wages. Women must be allowed to better support their families and should not see their work devalued. Today, 60 million women are in the workforce at every level of the workplace, yet, they still earn only 74 cents to a man's dollar.

Looking at 1996 median income for year-round, full-time workers, women earned \$23,710 compared to \$32,144 for men. This calculates at a large wage gap of \$8,434.



The average woman loses approximately \$420,000 over a lifetime due to unequal pay practices. This is a shame, 35 years after President Kennedy signed the *Equal Pay Act*.

Families suffer under pay inequities. While families increasingly need two incomes just to make ends meet, pay inequity continues to handicap families, by paying women less. In 1996, 27 million families lived in poverty, representing 12.2 percent of the population. One in every five American children lived below the poverty level in 1996—a tragedy in the richest country in the world. Achieving paycheck fairness for all American women would boost all families and help children live better lives.

Democrats seek to remedy wage inequalities. Democrats passed an increase in the minimum wage in 1996 as a way to help underpaid workers better support their families. To build on this success, Senate Democratic Leadership introduced **S. 71**, the *Paycheck Fairness Act*, to help ensure that women will be paid equally to men for the same work. **S. 71** would among other things, beef up enforcement and strengthen the remedy provisions of the *Equal Pay Act*.

Working women deserve paycheck equity. Unfair pay for women in the labor force is a continuing reality and results in lower financial security for struggling families. Working women expect and deserve an accurate reflection in their paychecks of the valued work that they do. Democrats will continue striving to help working women achieve paycheck fairness.

Pension Security

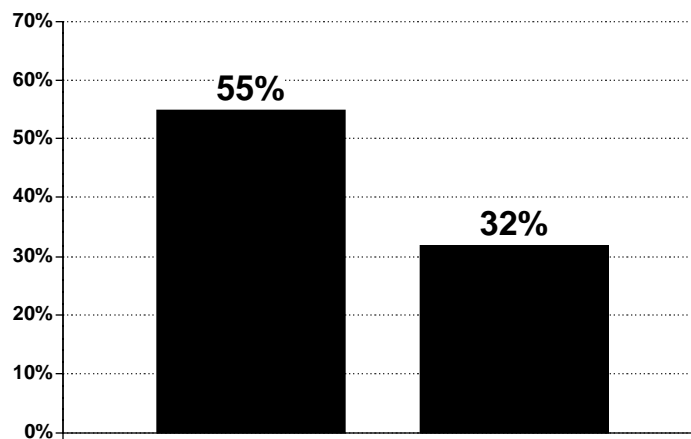
Many American women face retirement without economic security.

Pension laws were not created to take into account the work patterns of women. Many women work in service industries or small businesses where pension coverage is low or unavailable. Women also find it difficult to build healthy retirement savings, often having shorter tenure in their current jobs and interrupting careers to have children or care for family members.

Women traditionally earn less than men. Lower lifetime earnings for women translate into lower pensions and social security benefits in the senior years, contributing in large part to a higher poverty rate for older women. Only one third of all women receive pension benefits, according to the Department of Labor. When women do receive pension benefits—they receive about half the amount men receive. And women retirees often see their benefits reduced when their husbands die.

Fewer Women Retirees Receive Pensions

Percentage of retirees over 55 receiving pension benefits, 1993



Source: U.S. Department of Labor

Democrats work to shore up retirement security. The Senate Democratic Leadership sought to help Americans better prepare for retirement by introducing **S. 14**, the *Retirement Security Act*, to improve pension access and coverage, strengthen pension security, promote pension portability, and increase pay equity for women. Parts of **S. 14** to expand access to Individual Retirement Accounts (IRAs) were included in the new tax law:

- expanded eligibility through doubled income limits for tax-deductible IRAs;
- allowable claims by individuals of IRA deductions, regardless of spousal coverage at work;
- penalty-free withdrawals for first home purchases and education expenses; and,
- protection of 401(k) plan savings through the termination of requirements that an employee must invest his or her 401(k) savings in the company's own stock.

Democrats are working to ensure future financial security and improve retirement savings for America's women. After a lifetime of hard work, women should not have to face the prospect of a retirement spent in poverty. Democrats will continue working to improve future financial security for women.

Combatting Crime as a Priority

Violence against women in America persists. Women want more protection against becoming victims of crime at work, at school, in other public places, and most especially, in their homes. Democrats recognize the need to fight persistent crimes against women.

During 1992-93, there were almost five million acts of violence against females aged 12 and older, and the victim knew her assailant in three out of four of these acts of violence. Almost one of every three times the perpetrator was a husband or ex-husband, boyfriend or ex-boyfriend. In addition, four out of five rapes or other sexual assaults were committed by someone the woman knew. (Department of Justice Bureau of Justice Statistics 1995 report, based on the National Crime Victimization Survey)

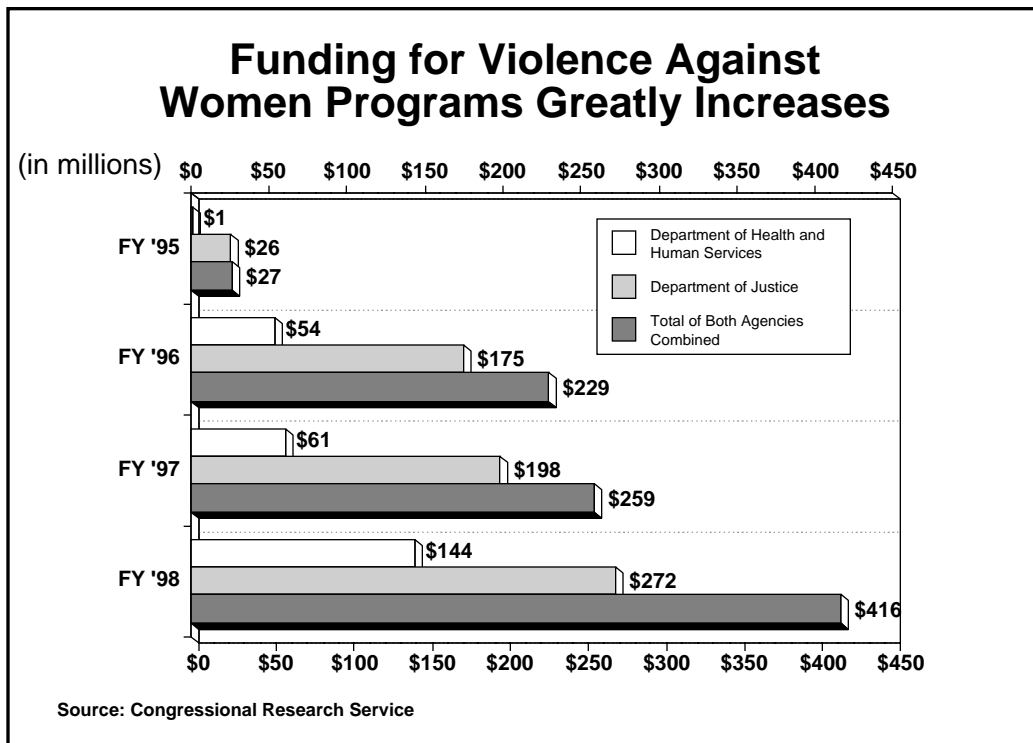
Democrats protect Americans by fighting crime. In the last Congress, Democrats blocked Republican efforts to roll back the crime-fighting achievements of President Clinton and the Democratic 103rd Congress. Republicans tried both to dismantle the President's community policing program to put 100,000 new cops on our Nation's streets, and to weaken or repeal the waiting period for handgun purchases and the assault rifle ban. Democratic efforts put an end to these attacks on crime-fighting legislation. Democrats also supported the *Violence Against Women Act*, which has helped to fight crimes of particular concern to women and children.

In the 105th Congress, Democrats have lauded the success of the *1994 Crime Bill* which has paid off in falling crime rates in many parts of the country. However, knowing that much more was needed, Senate Democrats made crime control one of their top legislative priorities in 1997 by introducing **S. 15**, the *Youth Violence, Crime and Drug Abuse Control Act* as part of the leadership package. Building on the *1994 Crime Act*, the bill included provisions to put more police officers on the street, extend the *Violence Against Women Act*, reform the juvenile justice system to crack down on violent youth, target gang violence, and, prevent and treat youth drug addiction.

Anti-crime funding receives a boost. The *1997 Balanced Budget* bill did extend the Violent Crime Reduction Trust Fund, which sets aside money

for many of the *1994 Crime Bill's* initiatives, through FY 2000. The FY 1998 appropriation for the COPS program was sufficient to keep the program on track to its goal of 100,000 new officers by the year 2000.

Democrats helped to gain increases in the *Violence Against Women Act* funding, which grew from \$229 million in FY 1996 to \$416 million in FY 1998. The landmark law has combined tough law enforcement strategies with important safeguards for victims of domestic violence and sexual assault. In its first year, the *Violence Against Women Act* and related provisions proved extremely effective in an effort to curb domestic violence offenses and provide protection and peace of mind for women and their families concerned about violent sex offenders.



Democratic efforts keep women safer. Although Congress did not pass major, new anti-crime legislation in 1997, Democrats will continue working to combat crimes against women by pushing to include vital provisions in related bills this year, including upcoming juvenile crime legislation. Democrats want to help women ensure that their surroundings are safe.

Tax Relief as a Priority

Democratic tax provisions benefit women, their families, and their businesses. In 1997, Democratic economic priorities successfully delivered a larger tax break to middle-income families than cuts proposed by Republicans. Democratic efforts also benefited businesses, one third or eight million which are owned by women (Small Business Administration).

Targeted tax incentives sustain economic growth. The Senate Democratic Leadership introduced **S. 20**, the *Targeted Investment Incentive and Economic Growth Act* as a part of its 1997 leadership package. **S. 20** was designed to encourage sustained economic growth through targeted initiatives, including proposals regarding investment in small and new businesses, increasing savings, employee stock ownership, investing in employees and investing in infrastructure. Democrats included some of these provisions in the bipartisan tax package, in order to bring the benefits of the healthy economy to more Americans.

During debate on tax and budget packages in 1997, Democrats fought Republican efforts to give the wealthiest Americans as many tax breaks as possible with little regard for the long-term costs. Democrats successfully forced important changes, which delivered a larger tax cut to middle-income families than was included in either the House or Senate bills. Democrats won:

- a \$500 per-child tax credit, which covered millions of families making less than \$30,000 per year who would have been denied the credit by the Republican plan;
- President Clinton's full education tax cuts in HOPE Scholarships, tuition tax relief, and other cuts;
- estate tax relief better targeted towards family farms and small businesses through a \$1.3 million exclusion from estate taxes;
- capital gains tax cuts better targeted towards long-term investment;

- IRA provisions more targeted towards the middle-class by increasing access to IRAs and creating new types of IRAs whose earnings would never be taxed; and,
- changes to the capital gains and IRA provisions that reduce the risk of reviving the deficit.

Democrats strive for improvements in America's economy. As women and their families work towards better financial security and as women-owned businesses grow and expand even more, Democrats will continue to maintain efforts to support a strong U.S. economy marked by falling deficits and dramatic job growth. Additional targeted tax relief will continue to be an important part of this goal.